

Cabinet Report



Report of Head of Finance – Simon Hewings

Author: David Cookson

Telephone: 07917 088 372

Email: david.cookson@southandvale.gov.uk

Wards affected: Hendreds

Cabinet member responsible: Councillor Sue Caul, Cabinet Member for Affordable Housing, Infrastructure, Development and Governance

E-mail: sue.caul@whitehorsedc.gov.uk

To: Cabinet

Date: 19 April 2024

S106 Request – Milton (Abingdon) Community and Sports Limited (MCSL) – New Community Hall with Sporting Facilities, Potash Lane, Milton

Recommendations

That Cabinet recommends to Council;

to create a budget for £876,572.22 towards a new community hall with sporting facilities, at Potash Lane in Milton Parish, from the accumulated section 106 contributions set out in this report;

Subject to Council creating the above budget:

to authorise the Head of Finance, in consultation with the Head of Legal and Democratic to:

- agree and enter into a funding agreement with MCSL regarding the terms of use of the S106 funding; the instalments in which the funding is paid; the timing of instalments; the conditions subject to which instalments are paid and to otherwise protect the interests of Vale of White Horse District Council as the provider of the funding by undertaking legal and financial due diligence including being satisfied that the funding is lawful and compliant with subsidy control provisions
- approve the payment to MCSL of up to £876,572.22 towards a new community hall with sporting facilities, at Potash Lane in Milton Parish, subject to and in accordance with the funding agreement.

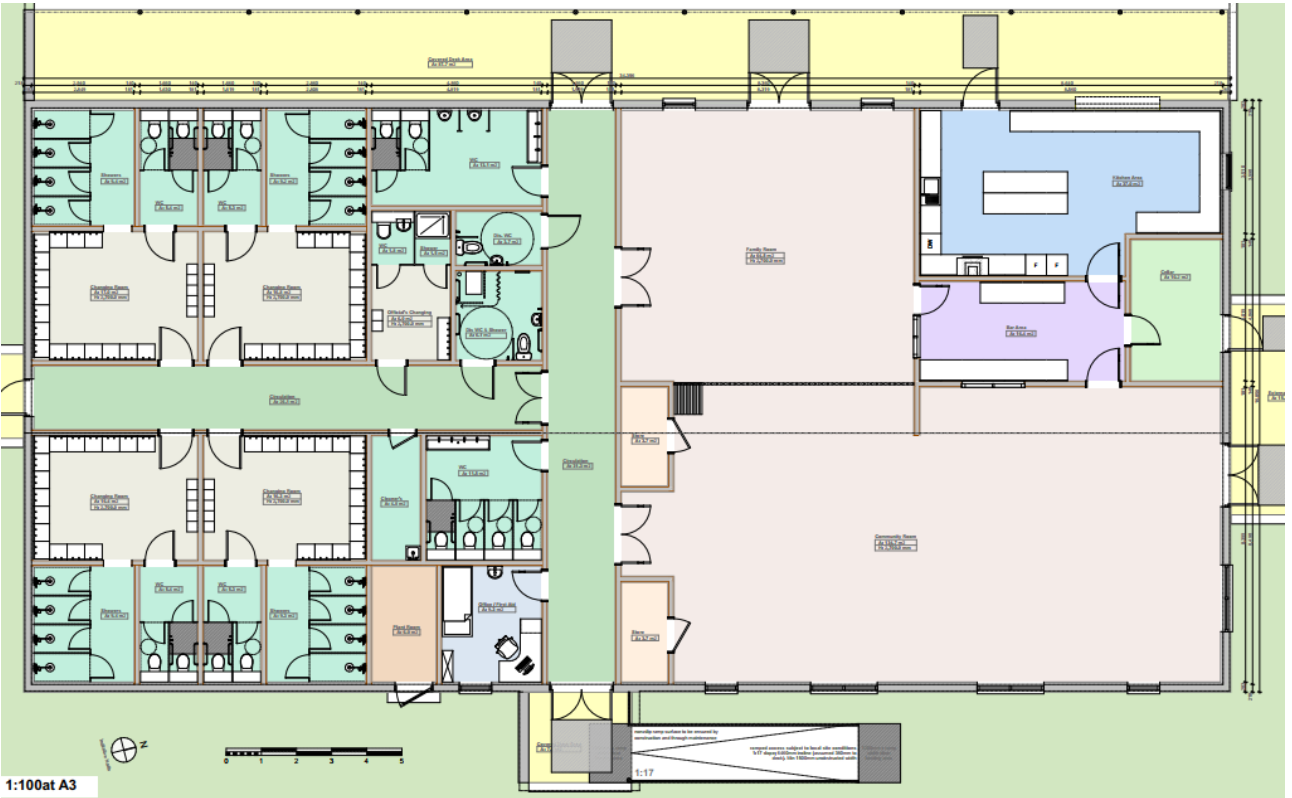
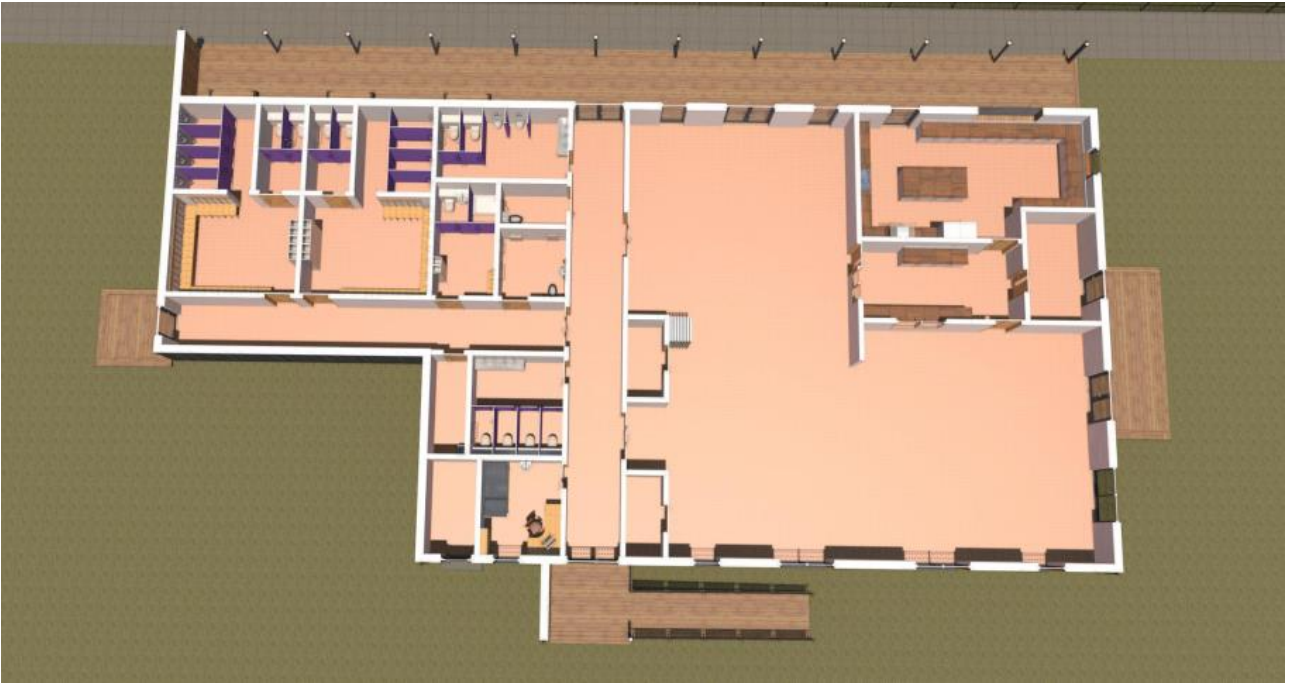
Implications (further detail within the report)	Financial	Legal	Climate and Ecological	Equality and diversity
	Yes	Yes	Yes	No
Signing off officer	Emma Creed	Sarah Commins	Jessie Fieth/Chloe Bunting	

Purpose of Report

1. To inform cabinet that we have received an application for funds, from MCSL, for a total sum of £876,572.22. This will be spent towards a new community hall with sporting facilities in Milton Parish. The sum is to be taken from six contributions secured under S106, from legal agreements linked to four developments.
2. The development will consist of:

- i. A new community building with sporting facilities with a dedicated and flexible, commercial catering standard kitchen, bar and improved storage.
- ii. A new family and function room, with full, internal and external bar and kitchen facilities. Four team and two officials' changing rooms to Sport England specification, to replace the two existing team changing rooms and officials changing rooms which currently fall well short of the required FA standards.
- iii. A community room with full bar and professional standard catering and kitchen facilities with the ability to be separated into two rooms should demand require it, via the closure of a central partition.
- iv. Disabled access throughout the building with disabled toilet facilities.
- v. Visual representations of the building can be seen in the images below (subject to change)





3. The contribution amounts totalling £876,572.22 are summarised in the table below, with full legal wording in appendix one.

Agreement Ref.	Contribution towards: (extracts from S106 agreement)	Amount in Agreement	Contributions Received (incl indexation)	Amount requested	Previously Allocated	Projected Balance
15V51 Reason code COM	Clubhouse Contribution - to be used towards a clubhouse in the Vicinity (5 miles)	£7,911	£8,728.16 received on 02.08.18, spend within 10 years	£4,728.16	£4,000	£0
15V62 Reason code COM	towards the provision or enhancement of a clubhouse and/or changing room facilities associated with sports pitches in the Parish	£17,708	£19,979.07 received on 15.08.18, spend within 10 years	£19,979.07	£0	£0
17V60 Reason code COM	Provision of new Community Hall/rooms (Milton Parish)	£425,473	£469,933.88 received on 06.01.20, spend within 10 years	£469,933.88	£0	£0
17V60 Reason code COM	Provision of new football Pavilion/clubhouse on land at Milton United football club or in Milton parish	£307,074	£347,293.98 received on 06.01.20, spend within 10 years	£347,293.98	£0	£0
17V60 Reason code OUT	Provision of youth sport within Milton Parish	£28,750	£34,637.13 received on 15.02.22, spend within 10 years	£34,637.13	£0	£0

Corporate Objectives

- Building healthy communities, working in partnership and working in an open and inclusive way.

Background

- Milton United Football Club are currently located at the Potash Lane site, their home ground is known as Milton Heights. The existing football pavilion at the site was always intended to be a temporary building and has reached the end of its useful life. Milton Parish has also been without a community hall for many years.
- The financial package secured by Vale of White Horse District Council in relation to the Redrow Homes' "Blaise Park" development nearby includes contributions for a community hall and rooms, and a new football club pavilion/clubhouse for Milton United FC. It has been jointly decided by both Milton Parish Council (the owners of the freehold of the land upon which the new building will be built) and Milton United Football Club that the best and most effective use of these funds would be to build a

single replacement building providing state of the art facilities for a wide range of community uses as well as accommodating the ever growing operational needs of the football club, the bowls club and the pigeon club, all of whom use the building currently.

7. Based on recent analysis (prior to the 2020 pandemic), the existing building and adjoining football pitches, bowls club and pigeon club attract approximately 15,000 visits a year with a core of approximately 500 people using the facilities regularly. This presents a solid foundation for growth and the new facilities are expected to double that usage within three years, by recruiting not just new members for the current clubs but by attracting new clubs representing different disciplines. The club anticipate opening longer hours to cater for more hires and social functions and casual use from the ever growing local population of Milton Heights.
8. From a sporting perspective the new facility will double the changing room capacity, allowing the football club to fully realise the potential of both their second senior football pitch and the two new nine a side junior football pitches. This will allow more sport to be played at Milton Heights and to develop as a centre of regional excellence, particularly for women's and youth football.
9. The general sporting demand in the area is growing with all age groups of the Football Club membership expanding and demand exceeding supply. It is also anticipated that the proposed, and FA funded, construction of a full size artificial pitch on site, planned as part of the VOWH Local Football Facilities Plan (LFFP), will only further increase that demand.
10. The new Milton Community Hall will provide locally managed community and ancillary sports and social facilities for both local community users and the general public alike, as well as an office and regular public meeting place for Milton Parish Council. There will also be the potential for a variety of sports clubs and community groups to hire the facilities, daytime community activities, and as a potential facility for St Blaise School's external activities.
11. The centre will be operated by MCSL, a company limited by guarantee (Company Number: 14172566), incorporated in June 2022 for this sole purpose. MCSL contains members with voting rights from both Milton United FC and Milton Parish Council. MCSL is an entity set up to promote, encourage and support community and amateur sport within the local community.

Options

12. The applicant is seeking funds to develop the scheme as consented under a planning application. The Infrastructure Implementation Team have not received any competing applications for these funds. The alternative options would be for the Council to consider only part funding, or not funding the project. Both these options have been discounted as they would put the delivery of this project at serious risk of not proceeding, given the overall cost, or being subject to significant delay whilst alternative funds are sought.

Climate and ecological impact implications

13. The Vale Corporate Plan 2020-2024 states that we will implement a climate emergency programme focussed on encouraging the wider district community to reduce its carbon footprint, in order to meet the climate emergency targets. In June 2022 we adopted the

Joint Design Guide which includes guidance on sustainable development, reducing carbon emissions through design and construction and the natural environment. The Joint Design Guide is a supplementary planning document and is a material consideration when determining planning applications.

14. Although there are no constraints imposed by the legal agreements, given the substantial funding being requested in this case we should expect higher energy and carbon saving standards from buildings funded by developer contributions. Examples would include; sustainable construction techniques, the application of renewable energy schemes (e.g. solar and wind), the incorporation of trees and other green infrastructure on the site to sequester carbon and increase biodiversity, insulation levels above those required by building regulations, triple glazing, low carbon heating systems, water saving appliances, electric vehicle charge points and bicycle racks.

Financial Implications

15. The total anticipated cost of the project is £900,000, funded by developers' contributions only. A previous S106 application ref: P23V2148 was considered in September 2023, the district council awarding an initial £18,255.50 towards the project towards professionals' fees. Therefore awarding £876,522.22 should cover the remaining cost. Milton Parish Council have agreed to provide a contingency if required.
16. The Grants Team have confirmed no other district council funds have been allocated to this project.

Legal Implications

17. A legal agreement will be secured with MCSL before any payment, to reduce risks to the Council regarding use of the funds. A maximum amount of £876,572.22 will be paid once the agreement has been signed, planning permission has been granted and evidence of land ownership has been supplied.

The terms of the legal agreement should include that;

- i. A qualified surveyor must be appointed to review a specification for the building and inspect during construction
- ii. A copy of the build contract signed by MCSL and the selected contractor is supplied
- iii. The proposed building works comply with Building Regulations
- iv. Limitation of the Councils liability in its release of funding towards the project in the event of building contract failure or contractor insolvency

18. It is recommended that MCSL seek independent legal advice in response to the agreement. The applicant must be aware of state aid implications related to their proposal.

19. This application is to utilise five contributions from three legal agreements. The wording of each agreement (as listed in appendix one) apart from one are unambiguous, either including the words 'clubhouse' or 'pavilion' in the 'parish' or 'Milton Parish' or 'vicinity' which is defined as under 5 miles from the development.

20. £34,637.13 from contribution 17V60 is for the 'Provision of youth sport within Milton Parish'. The applicant has reported that 90% of the teams at Milton Utd FC are now classed as 'youth', and that number is set to increase as the local school have allowed use of their smaller 9v9 football pitch. A second 9v9 pitch is planned on land which has recently been offered to the club by the developer.
21. MCSL will be entering into a lease with the landowner, Milton Parish Council. The three main activity groups within the organisation are Milton Utd FC, Milton Bowls Club and Milton Pigeon Club. Each section already has its own committee, accounts and banking, and typically its own membership and subscription arrangements. This will continue. All clubs are well established and experienced in operating premises. The constitution of the new organisation will be written in such a manner that other clubs may join if they wished in future.
22. Grassroots sporting activities, including members' clubs that do not operate on the market may set reasonable membership fees without being considered an enterprise. In view of this guidance the funding is not considered to be a subsidy as the recipient of the funding is not an enterprise, no economic advantage is being conferred, nor does the funding have an effect on competition or investment within the UK, or on trade or investment between the UK and another country or territory, or both.

Risks

23. S106 funding could be at risk if the building contract fails, or the building contractor becomes insolvent. The funding agreement will limit the district council's liability in its release of funding towards the project.

Other implications

24. No further impacts or implications identified.

Conclusion

25. Using these funds to create a single replacement building will provide a state of the art facility for a wide range of community and sport uses, as well as accommodating the ever growing needs of the residents of the parish and beyond.
26. The request for funding S106 funding towards this project has been evidenced to meet the requirements of spend, contained within the S106 agreements identified against this proposed project.
27. The risks identified have been shown to be manageable within reasonable tolerances, and through appropriate funding mechanisms.
28. The alternative options of either not funding or only part funding the project have been discounted.
29. It is therefore recommended that the s106 budget identified be allocated, and distributed subject to the agreement on the necessary funding agreement.

Appendix one

Financial contributions

The contribution of £876,572.22 is requested from the following agreements:

Development: Land adjoining Drayton Road Milton

Planning Ref: P14/V0052/O

S106 Ref: 15V51

Date of agreement: 22 April 2015

Decision: Planning Committee

Obligation: The “Clubhouse Contribution” means ‘the sum of seven thousand, nine hundred and eleven pounds (£7,911) to be paid by the Owners to the District Council to be used towards a clubhouse in the Vicinity.’ (Defined as within five miles of the development).

Spend by Date: 02 August 2028

Development: Land at Milton Hill

Planning Ref: P13/V0467/O

S106 Ref: 15V62

Date of agreement: 21 October 2015

Decision: Planning Committee

Obligation: The “Sports Pavilion Contribution” means ‘the sum of seventeen thousand, seven hundred and eight pounds (£17,708) to be paid to the Council to be used towards the provision or enhancement of a clubhouse and/or changing room facilities associated with sports pitches in the Parish’

Spend by Date: 15 August 2028

Development: Land to East of Milton Hill

Planning Ref: P16/V2900/FUL

S106 Ref: 17V60

Date of agreement: 26 October 2017

Decision: Planning Committee

Obligation 1: The “Community Hall/Rooms Contribution” means ‘the sum of Four Hundred and Twenty Five Thousand Four Hundred and Seventy Three Pounds (£425,473) Index Linked towards the provision of a new community hall/rooms within Milton Parish’

Spend by Date: 06 January 2030

Obligation 2: The “New Football Pavilion/Clubhouse Contribution” is defined as ‘the sum of Three Hundred and Seven Thousand and Seventy Four Pounds (£307,074) Index Linked, towards the provision of a new football pavilion or clubhouse on land at Milton United Football Club or in Milton Parish’

Spend by Date: 06 January 2030

Obligation 3: The “Youth Sport Contribution” is defined as ‘the sum of Twenty Eight Thousand Seven Hundred and Fifty Pounds (£28,750) Index Linked towards the provision of youth sport within Milton Parish’

Spend by Date: 15 February 2032